EASTERN MEDITERRANEAN GAS CONFERENCE

10 – 12 March 2014 | Hilton Tel Aviv — Tel Aviv, Israel

noble energy

HYPERION SYSTEMS ENGINEERING 20 YEARS

ABS

DNV·GL

HFN HERZOG FOX & NEEMAN LAW OFFICE

EDISON

Linklaters

WOOD GROUP

RADIUS

cyta

Israel Export Institute

Israel NewTech

Sea NG Alliance

DELIVERS NATURAL GAS

Marine CNG Transportation

2014 Eastern Mediterranean Gas Conference

Tel Aviv, Israel

11-12 March 2014

SEA NG

Marubeni CORPORATION

TEEKAY CORPORATION

ENBRIDGE

Sea NG Alliance

Sea NG

Technology and Project Developer

Owns all rights to patented Cosell® System

Marubeni CORPORATION

Finance and Resource Mobilization

US$50 billion in assets with 5,680 employees

TK | TEEKAY CORPORATION

Ship Construction and Operations

US$10 billion in assets with 6,100 employees

ENBRIDGE

Gas Infrastructure and Contracting

US$49 billion in assets with 10,000 employees

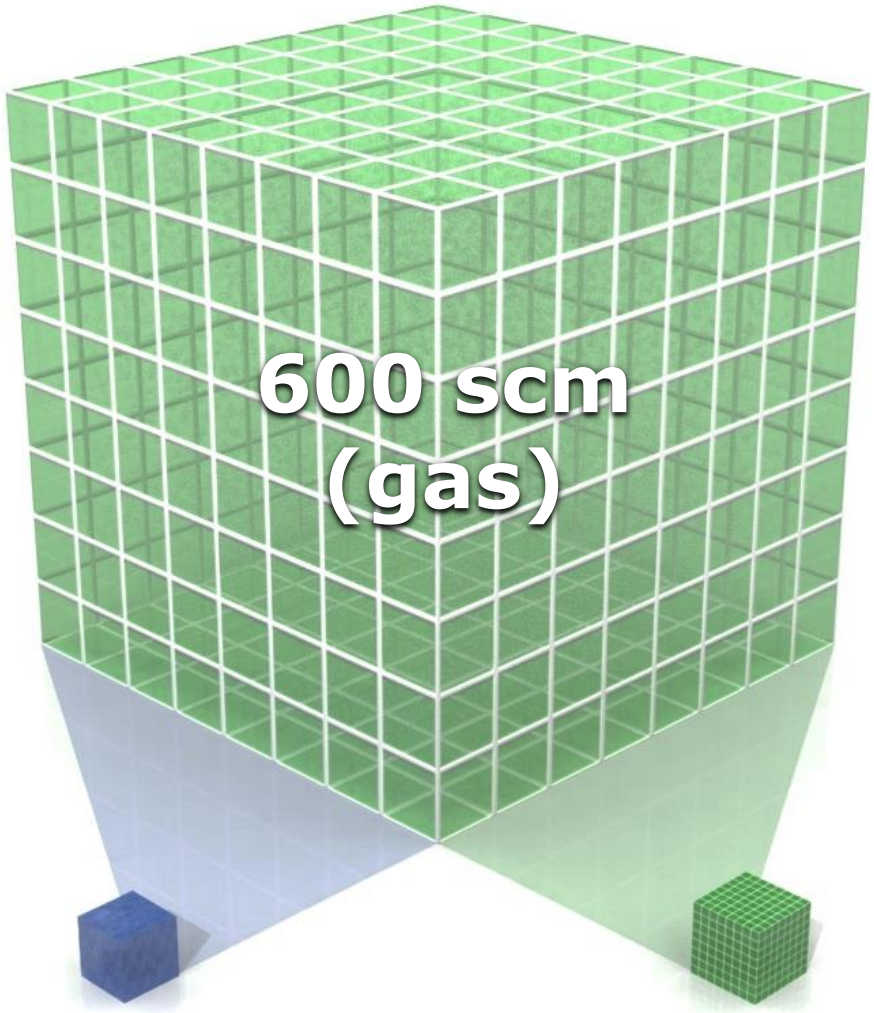
Comparison of LNG and CNG

LNG

600:1

-162 ºC

Ambient Pressure



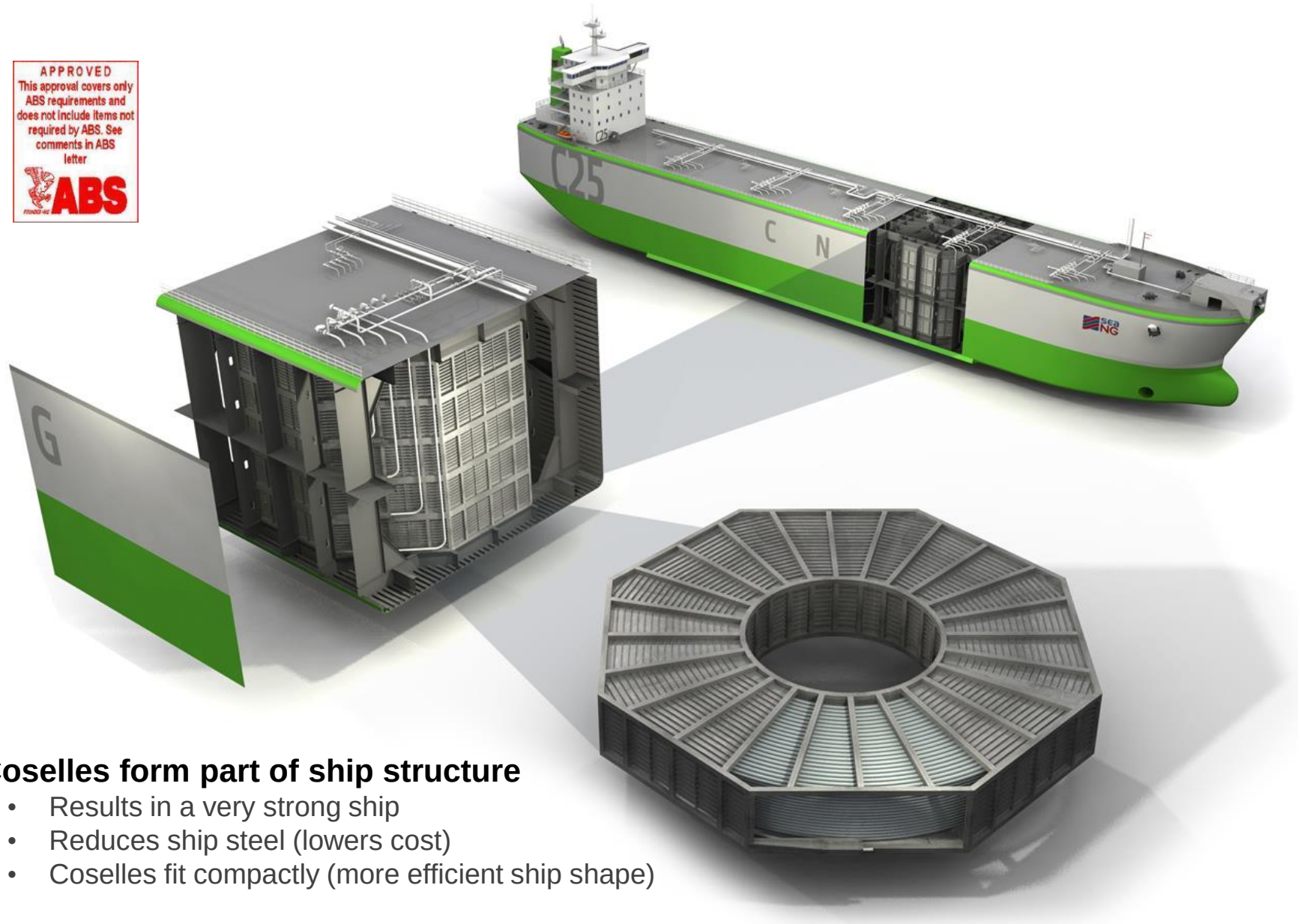
CNG

300:1

275 BAR

Ambient Temperature

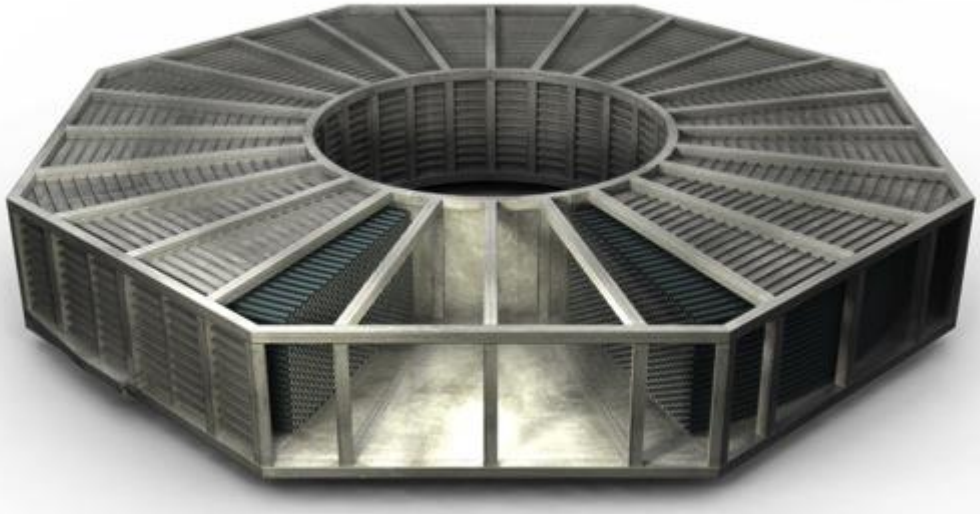
C25 Coselle® ship



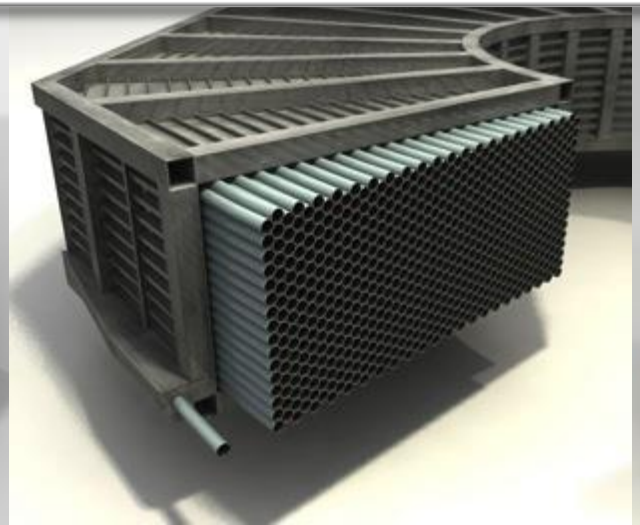
Coselles form part of ship structure

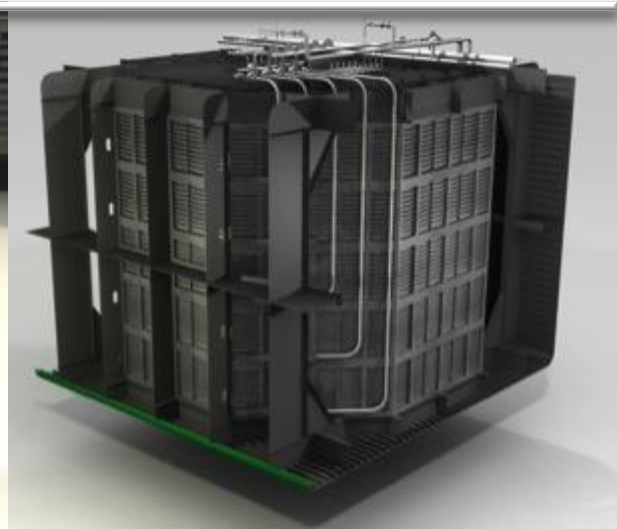
- Results in a very strong ship
- Reduces ship steel (lowers cost)
- Coselles fit compactly (more efficient ship shape)

Coselle® dimensions and capacity



Coselle Capacity	4.2 mmscf ~ 120,000 scm ~ 82 t
Pressure	4000 psi / 275 bar 80 °F / 27 °C
Pipe Size	OD = 168 mm wt = 6.35 mm
Pipe length	21,350 m
Outer Diameter	20.5 m
Inner Diameter	9 m
Height	3.1 m
Weight (empty)	630 mt
Steel	X80 ERW





Fully tested and fully approved

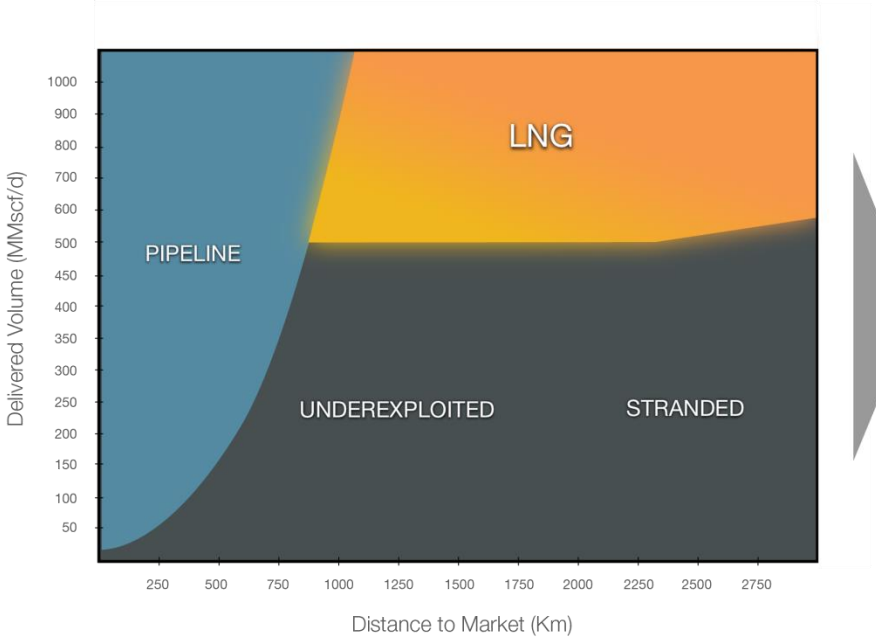
A decade of research, engineering and testing resulted in full approval at an operating pressure of 275 bar (4000 psi).

ABS APPROVED

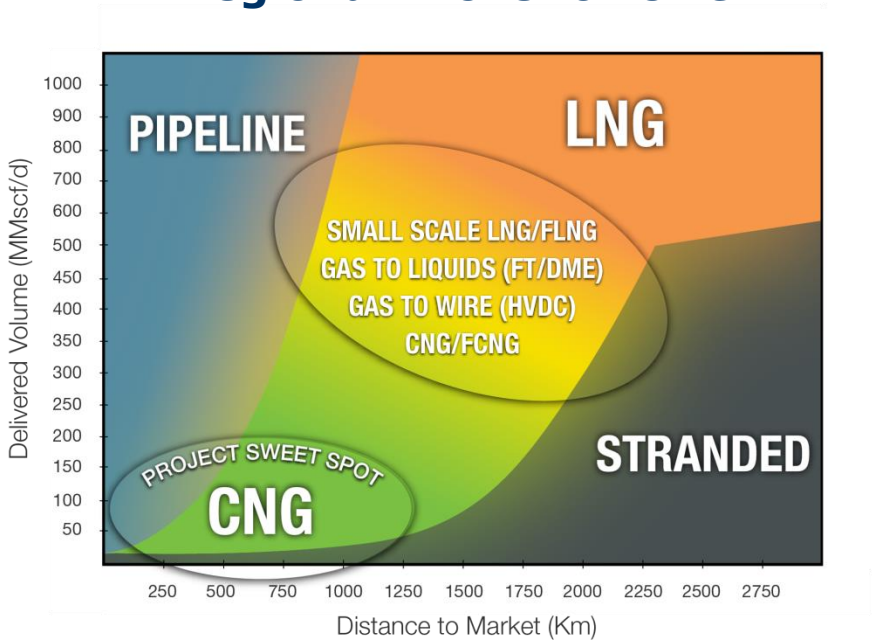
Met or exceeded all ABS requirements. Critical fatigue testing exceeded requirements by 300% without failure (65,000 cycles).

Gas markets

Current Market

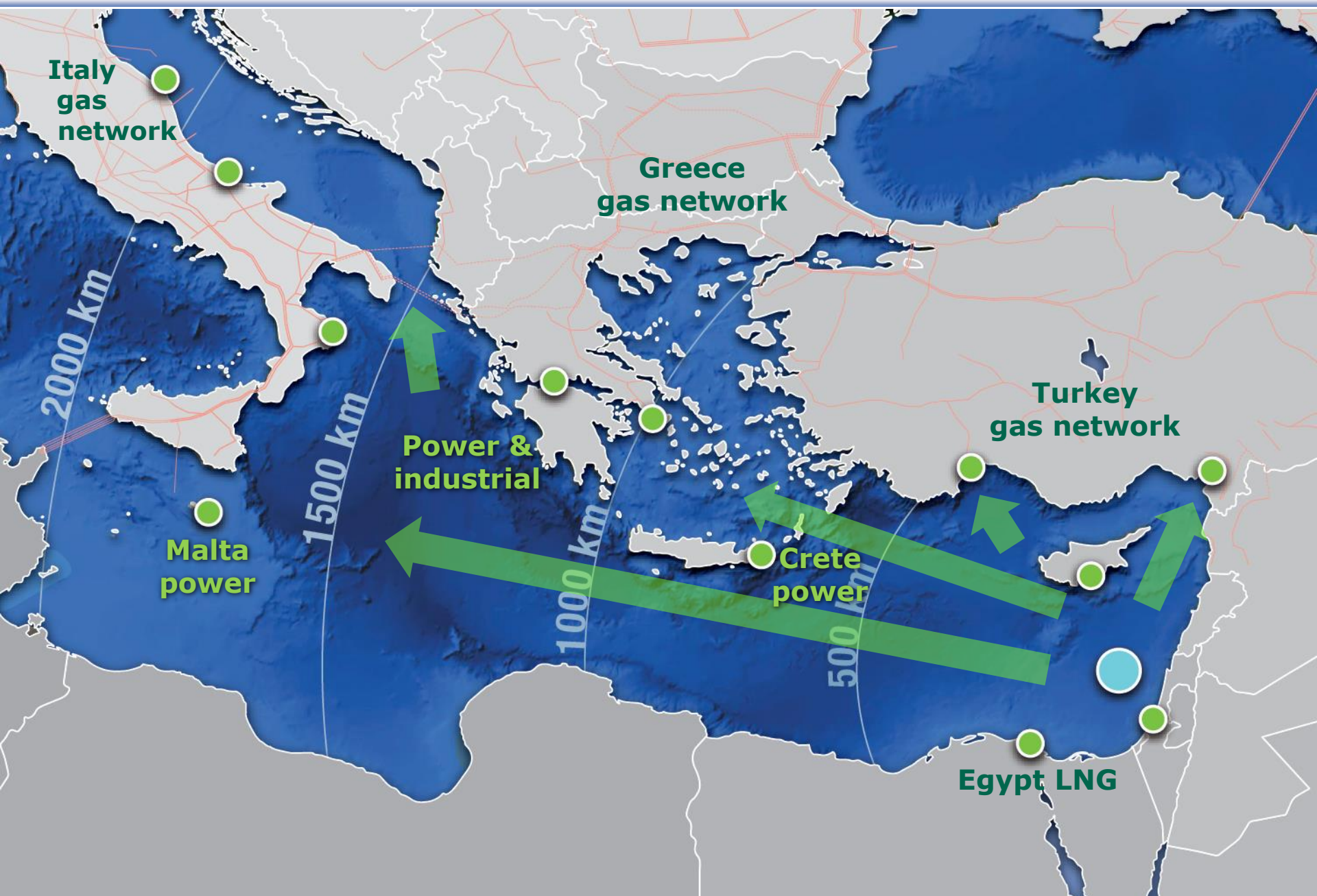


Regional Niche for CNG



DRIVERS	PRODUCERS	CONSUMERS
ECONOMIC	Capture/enhance value of gas reserves	Lower energy cost
ENVIRONMENTAL	Reduce flaring	Reduce CO_2 emissions

Marine CNG opportunities in Eastern Mediterranean



Case A: CNG vs. LNG European regional market

Volume of 300 mmscf/d (3 bcm/a)		
Distance (1000 km)		
	CNG (regional)	**LNG (regional)**
Cost of gas at destination market (US$/mm	**11.6**	**11.6**
Loading or liquefaction	0.6	5.5
Transportation by CNG or LNG	2.6	1
Off-loading or regaisfication	0.15	1
Net-back (US$/mmBtu)	**8.25**	**4.1**

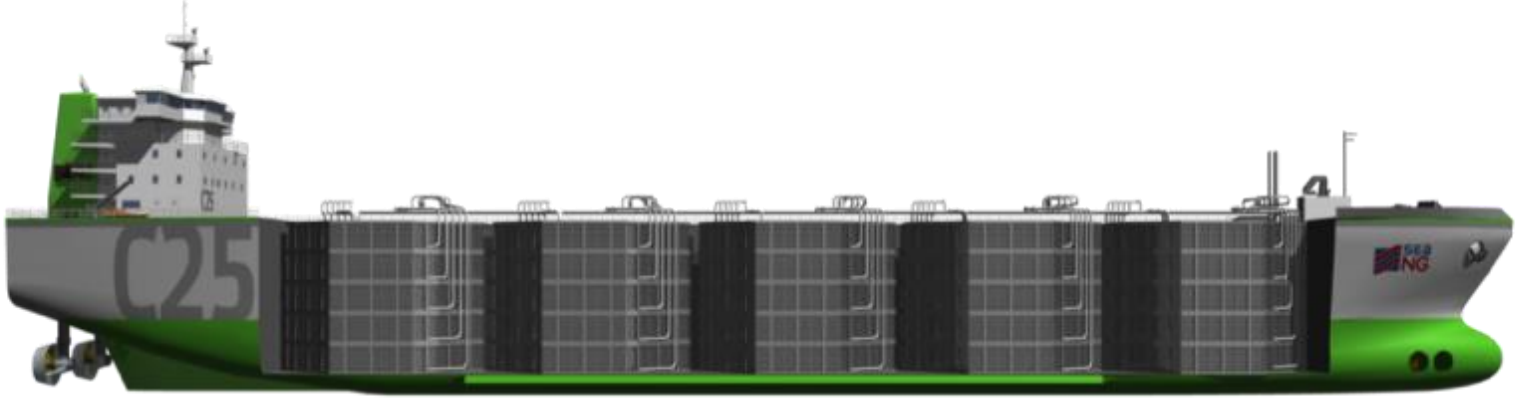
Case B: CNG regional market and LNG global market

Incremental volume: 300 mmscf/d (3 bcm/a)		
Distance: 1000 km for CNG and Japan for LNG		
	CNG (Europe)	**LNG (Japan)**
Cost of gas at destination market (US$/mm	**11.6**	**17**
Loading or liquefaction	0.6	5.5
Transportation by CNG or LNG	2.6	2
Off-loading or regaisfication	0.15	1
Net-back (US$/mmBtu)	**8.25**	**8.5**

Coselle® ship characteristics

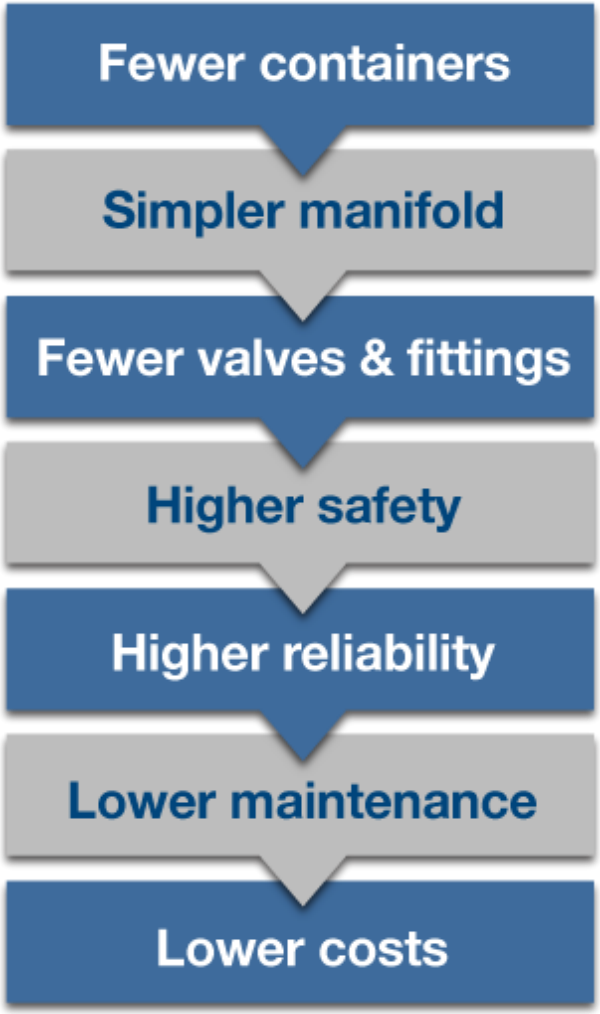
Ship	C16	C20	C25	C30	C36	C42	C48	C84	C112
Coselles	16	20	25	30	36	42	48	84	112
Net Capacity* (million scf)	66	82	103	123	148	172	197	344	459
(million scm)	1.9	2.3	2.9	3.5	4.2	4.9	5.6	9.8	13.0
Length OA (m)	153	153	178	203.8	207.5	233	258.4	267.1	290.4
Breadth (m)	26.5	26.5	26.5	26.5	28.5	28.5	28.5	47.2	47.2
Depth (m)	14.9	18	18	18	21.8	21.8	21.8	27.5	30.6
Loaded Draft (m)	5.5	6.7	6.5	7.2	8.1	8.1	8.2	8.8	10.4

* Net capacity is net of heel gas and assumes lean gas at 27°C



Simplicity leads to safety and lower costs

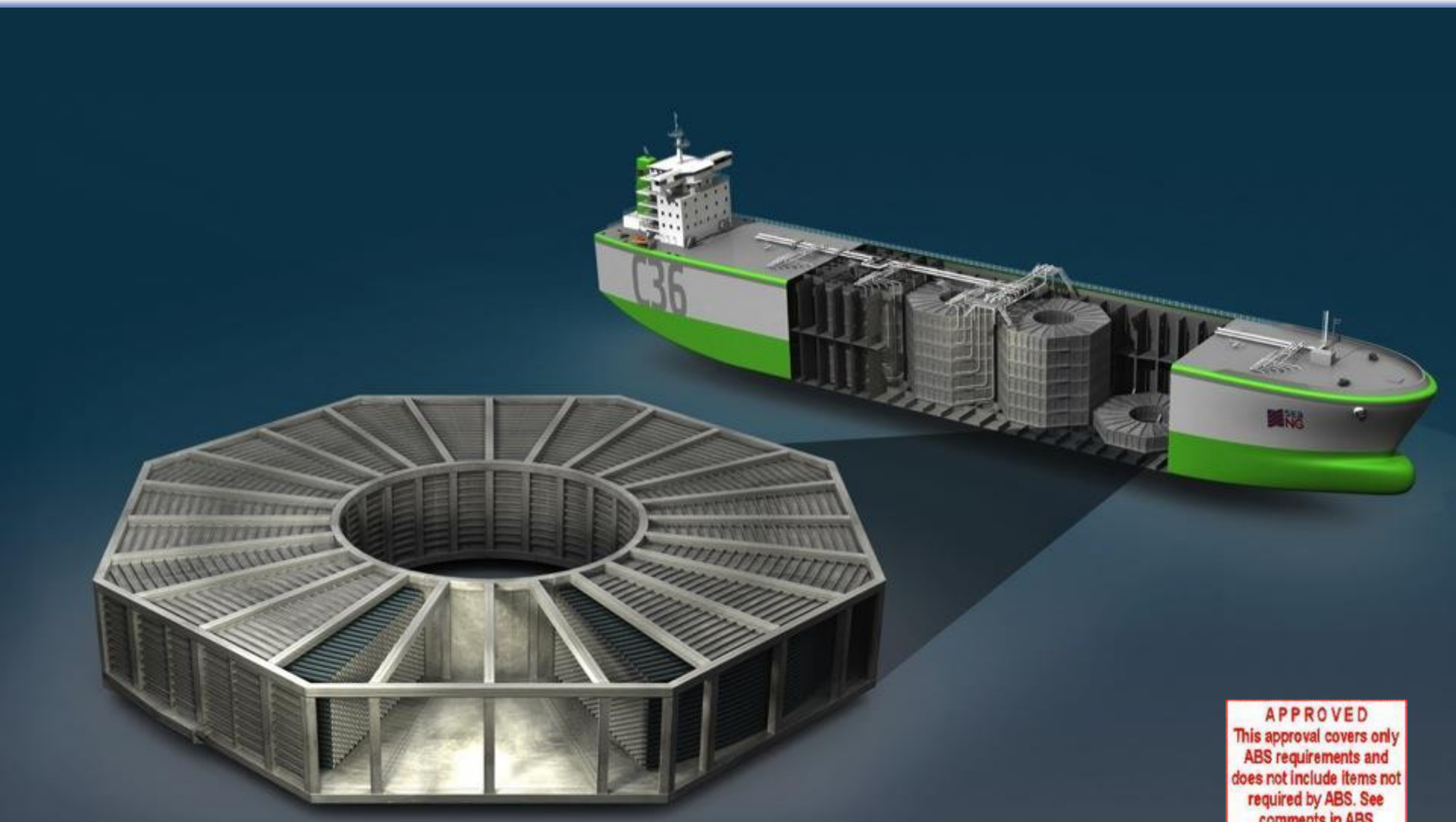
- Simple
  - Utilizes few large Coselle® versus hundreds or thousands of bottles
  - 10-20 times fewer connections
- Safe
  - Coselle® is a matrix of steel
  - Small diameter design assures safety
  - Nitrogen sealed Coselle® are stacked within a nitrogen sealed cargo hold
  - Fully approved by classification societies
- Lower cost
  - Utilizes standard compression equipment
  - Patented manifold enables efficient and cost-effective loading and discharge
  - Readily available ERW X80 pipe is faster and cheaper to manufacture



Conclusion

- Flexible solution delivering higher net-backs in regional markets
- Takes advantage of lower cost of regional gas
- Fast implementation - first gas in 26 months from FID
- No capital required from client, only a “take-or-pay” tariff for the contracted volume and term
- Flexibility to redeploy the assets for smaller offshore reserves
- Complementary to LNG, pipeline and liquid fuels
- Small footprint for loading/unloading facilities
- Sea NG Alliance has strong financial and operational capability – Ready to contract for service

Questions?



APPROVED
This approval covers only ABS requirements and does not include items not required by ABS. See comments in ABS letter
ABS

- **A1 Compressed Natural Gas Carrier**

Contacts

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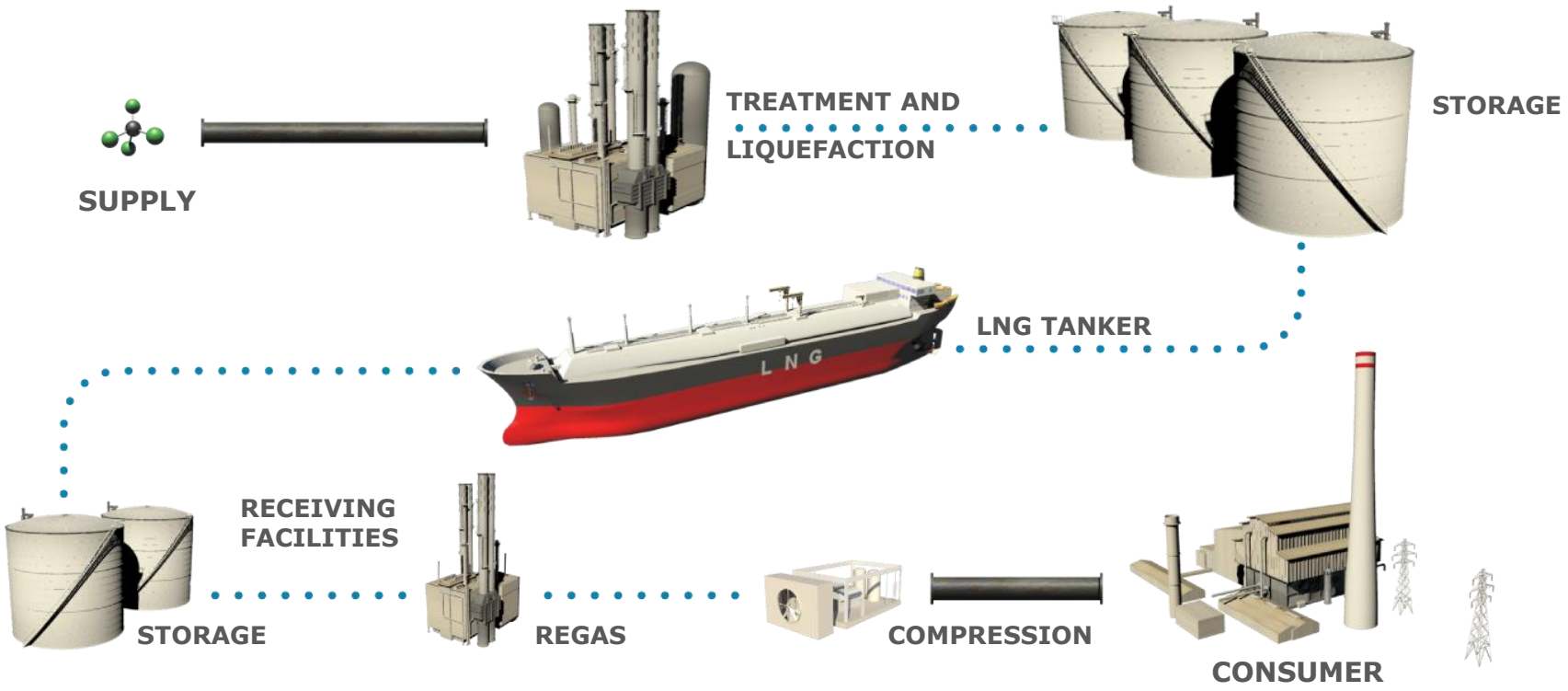
LNG: Gas > Liquid > Gas

Loading:	Gas treatment, liquefaction and storage
Terminals:	Onshore in harbor / offshore liquefaction
Ships:	Sophisticated, efficient
Receiving:	Storage, regasification, harbor / offshore regas



Marine CNG: Always a Gas

Loading:	Dehydration, compression
Terminals:	Onshore or offshore (buoy/platform)
Ships:	Simple – shuttle carriers
Receiving:	Decompression and connection to customer

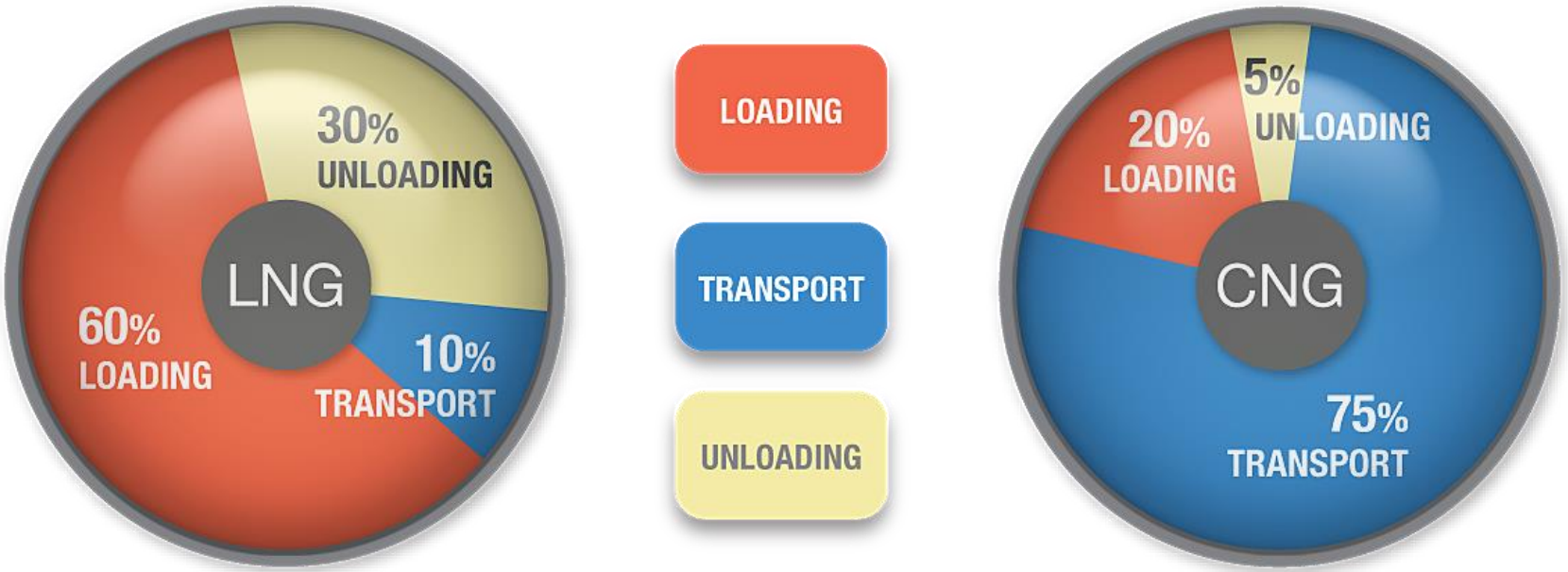
Supplier | Dehydration/ compression | CNG ships in shuttle operation | Decompression/ warming | Customer

Cost Allocation

Investment: Loading, Transportation and Unloading

LNG: 90% of cost in shore facilities

CNG: 25% of cost in shore facilities



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